Post-COVID-19 Leadership in the Public Sector: A Behavioural Economics Perspective

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Abstract

Leaders are perceived as torchbearers who can guide the world through the aftershocks of COVID-19. A leader's success under crises is largely dependent on their ability to process information, act on it and influence others within and outside of their organizations. During such crises, they are required to make decisions- based on their limited cognition and imperfect information- involving high stakes. At the same time, they should be aware of their own behavioural biases that may affect this process. Social systems, especially the Actor-System-Dynamics (ASD) theory acts as a foundation for dynamic and innovative leadership. The public service providers were necessitated to take quick action in response to the multilayered repercussions of the COVID-19 pandemic. Similar to how leaders face a multitude of biases, the general public also deals with its own set of biases. To act optimally, the leader must be beware of these biases and their effects. In light of this challenge, this paper gives suggestions for leadership in a post-COVID-19 world with backing from behavioural economics.
Keywords: *Leadership, post-COVID-19, social systems, public sector leaders, behavioural economics*

1.0 Introduction

2020 was touted to be the year of progress, the year that the world finally got its act together but instead, we were hit with a crisis of such catastrophic proportions that the entire world has been brought to a standstill. The presence of this virus across the globe has brought about deadly consequences which have uncovered the vulnerabilities of communities, governments (both local and national) and world organizations. This crisis has forced stakeholders all across the board to re-evaluate the existing social systems in place from the perspective of having to deal with a major crisis.

A crucial part of these social systems is the public services which act as the link between the government and the public. With the advent of this pandemic, people's engagement with public service organizations is surging and here the most vital role is taken up by the leader of the public services as they spearhead organizational changes in the community. Considering the multiple roles that a leader in the public sector has to play, examining leadership post-COVID-19 in this sector becomes all the more important. COVID-19 has substantially changed the world and the way it works leading to the public proposing various demands to the public sector.

This catastrophe has had a significant impact on public services that calls for a balanced approach to maintaining the quality of service delivery whilst protecting the livelihoods of those at the bottom of the pyramid. Leadership following this approach will be about making others better as a result of the leaders' presence while ensuring that the impact lasts in their absence. It can also address democratic norms and the role of citizens in both formulating and realizing shared goals. Leaders anticipate the unexpected and utilize the strengths of their people to assure the strategy to rally people towards a shared vision with empathy. By connecting the dots and mapping out a realistic plan of action, they serve as the foundation for how the problem will be approached and managed.

Behavioural economics essentially analyzes the impacts of psychological, cognitive, social and emotional factors on an individual's decisions. After a long struggle to establish itself in mainstream economics, today it is one of the most productive and practical areas of academic research (Esade, 2019). The scientific foundation for this concept was chiefly laid by Daniel Kahneman, who shows that people's decisions are led rather by emotional factors than rational choice in almost every sphere of life. From this, one can infer that when making a decision, individuals unintentionally allow their emotions, prejudices and biases to influence them. The rise of behavioural economics has paved way for the usage of its approaches to design institutional reforms in the public sector during times of crises. So far, public administration works on a completely different approach. The processing capabilities of the government and its agencies go far beyond those of the common man. These superior resources involve finance, knowledge, organization and authority. Additionally, governments within their limits can check their behaviour through the generation of procedural safeguards and the establishment of particular organizations.

By focusing to a significant extent on how individuals respond to information and incentives, behavioural economics can both explain behaviour and outline measures to help successful leadership in the public sector. This also ties in with the behavioural theories of leadership which are based on the premise that people can be trained to be leaders.

A new strain in leadership that has developed due to this pandemic is the newly found significance of empathy and keeping up team morale. Understanding human behaviour is central to effective leadership and those that do not take this aspect into account will not have the desired effect. Therefore, it is highly essential for public services to rapidly adjust to this new normal across two overlapping dimensions: post-COVID-19 leadership and behavioural economics. In a bid to advance prudent leadership, our study aims to understand the behavioural factors which influence the decision-making process of a leader and explore how these biases affect the leader during the COVID-19 pandemic through a completely qualitative research methodology in order.

2.0 Leadership in the Public Sector

The public sector and public services are always at the core of the community. Directly or indirectly, people look up to public servants as torchbearers who can lead their nation through tough times. The pandemic not only caused health implications and loss of lives but also led to a multitude of other events like global economic recession, mental health issues, job loss and disruption of education (UN, 2020). The instantaneous outbreak put the public servants on the front line impelling them to deal with the springing outbreak immediately and handle the socio-economic repercussions at the same time. Despite working under a life-threatening situation and mental stress, the public service providers were in action from the start. Though privatisation is happening in various sectors, the responsibility to take care of key areas will lie with the government (Meier et al, 2005). The pandemic made nations appreciate the importance of public service. It re-emphasised the momentousness of the public sector, both in the lives of the citizens and in leading an entire country.

The line of events had completely put the government and the public service under the radar. Using this room to manoeuvre, the public sector can re-establish itself and alchemize its structure and functioning. From mobilising resources to immediately tackling and monitoring the situation, from providing human power to formulating quick reliefs and upholding inclusivity and equity, the public services did it all (UN, 2020).

The so-called new normal will require both major and minor changes on part of both individuals and organisations. Researches emphasize on the importance of good leadership in implementing and helping others adapt to new situations and accommodate changes (Voet et al, 2015). It is equally important to ensure that the new normal or the new changes do not increase the digital and the living gap (Sunita, 2020). The policymakers and public leaders need to formulate their policies and take decisions in line with the values of empathy, inclusivity and equity, guided by Gandhi's Talisman. James (1989) cautioned that the process of affecting change in the public sector often involving a complex political environment is affected by a whole lot of aspects like separation of power, legal and political complications, new media buzz and public opinion, and red-tapism. Extensive studies establish the fact that public sector agencies are more resistant and reluctant to change than the private (Fernandez & Pitts, 2007). With the proviso that the above conditions are bound to arise along with the abrupt nature of the situation and its incalculable fallouts, the role of leaders in the public sector becomes all the more important. "Van Wart (2003) defines public sector leadership as the process of (a) providing the required results by authorized processes in an efficient, effective and legal manner (b) developing and supporting followers who give those results and (c) aligning the organisation with its environment." (Orazi et al, 2013).

Moreover, studies indicate that leadership skills are of the foremost significance in improving performance and affecting changes (Voet et al, 2015). Along with the huge responsibilities on the part of public sector leaders, the intricacies involved in untangling the knots are arduous as well. Experts propound that there is a possibility of the current catastrophe resulting in a more divided world (with more conflicts, aggressive nationalism and toxic politics) (Ngaire Woods, 2020). The world has seen similar disasters and extreme conditions like the Great Depression and the World Wars while emerging out of them as well. Now, it's time for the global, national and regional leaders to begin planning to confront the post-COVID-19 world and at the same time, tackle and cope up with its reverberations.

Within this frame of reference, this research seeks to propose a new approach in handling the current state of affairs by employing behavioural economics as a magic bullet to help leaders in the public sector, smoothly and effectively tackle various aspects of the post-COVID-19 world.

3.0 Behavioural Economics and Leadership

Up until the late 17th century, most of the medical community refused to accept the fact that invisible microorganisms were the cause of various diseases. They held onto this belief even in the face of contrary evidence from physicians like Ibn-al-Khatib, Girolamo Fracastoro and Marcus von Plenciz. This theory only gained acceptance with the work of Louis Pasteur and subsequently Robert Koch's work in the 1850s. This reaction of most of the medical community in that era is quite similar to how people reacted to the emergence of behavioural economics. Since then behavioural economics has been steadily gaining traction as an avenue to be considered while making policy decisions and its impact on the common man is also being documented steadily.

3.1 Biases That Affect Leaders

A leader's success under crises is largely dependent on their ability to process information, act on it and influence others within and outside their organization (Bundy et al., 2017) and during such crises, they need to make decisions based on imperfect information with much higher stakes. At the same time, they should be mindful of individual biases that may affect this process (Hadley, Pittsburgh, Sommer & Zhu 2011). This part of the paper explores a few behavioural biases that leaders face during their decision-making process.

3.1.1 Overconfidence bias

"Having appropriate confidence is important for making appropriate risky decisions, for knowing when to seek advice and information, and for communicating one's knowledge" (Soll & Klayman, 2004, p. 312). This bias comes into play when an individual's subjective confidence in judgements is greater than the objective accuracy of those statements. This overconfidence is considered to be one of the most significant biases that leaders have to beware of, to optimize. While in a crisis, leaders are faced with information from outside their area of expertise and they do not have enough time to learn new skills that become vital in this new environment. In such a situation, they should reach out to people with expertise in those specific areas.

Overconfidence can be explained in two aspects; first is the tendency of people to have excessive belief in their capabilities (Cesarini, et al., 2006, p. 454). This can cause one to block new alternatives and evidence. The second aspect is that of overestimating the precision of knowledge and decisions. This can cause the leaders to be too optimistic about positive outcomes (Hilton., et al, 2011).

Given the fact that decision making patterns evolve, it is said that cognitive biases will hence impact different levels of leaders in different ways (Dov Paluch, 2011). In the context of overconfidence bias, the impact on different levels of leaders is most relevant.

However, it has been shown that some leaders cannot recognize their limitations, and when making important decisions, they rely on their intuition and ignore scientific evidence. The effect of this bias can be seen in the Indian state of Kerala, where overconfidence related to the handling of situations is one of the main reasons due to which the state has seen a staggering increase in the number of Covid-19 positive cases.

3.1.2 Fundamental Attribution Error

Fundamental attribution error refers to a cognitive error where people do not take into account or underplay the role of situational explanations for an individual's behaviour while placing more weight on the personality-based explanations for their behaviour. A common example used to demonstrate this error is the assumptions one makes when an individual comes late to a meeting. People tend to assume that there is something wrong with their personality or behaviour instead of considering situational factors that might have caused the person to be late.

The same can be said of the initial response of the public to the warnings about the pandemic. Initially, people who wore masks and followed social distancing rules were termed as communists and those who flouted these social distancing rules were called 'Covidiots'. Similarly, the response towards government policies during the lockdown period and the subsequent economic recovery packages was interpreted by the people based on the characteristics they attributed to each government or leader while not considering the situational factors that influenced them to take such a step. In the context of the pandemic, it becomes extremely important for a leader to convey the reasons behind a decision as a misinterpretation

of the information put out can lead to deadly consequences. The leader should also take into consideration the situational factors that influence the behaviour of people who flout safety rules. By making leaders aware of the effects of this error, it can help in strengthening the existing public health systems and in bettering how leaders put out information to the general public.

3.2 Biases Inherent In People

Similar to how a leader's decision-making process is affected by these seemingly invisible behavioural biases, a person among the populace will also have to make decisions in the framework of these very behavioural biases. Analyzing these biases becomes even more imperative and erratic when one considers the uniqueness of the situation today where a single decision might very well be the thing that chooses between a person's life or death. Data collected from past pandemics and research in psychology and behavioural economics put forth that numerous cognitive biases, impact beliefs about life hazards. In this light, this part of the paper aims to analyze a few behavioural biases that were found to affect the general public during the pandemic which contributed to the disparity between the forewarnings about the danger of COVID-19 and slow response towards these warnings.

3.2.1 Optimism And Overconfidence Bias

"People tend to think they are invulnerable. They expect others to be victims of misfortune, not themselves" (Weinstein, 1980). Optimism bias is a cognitive bias that drives people to estimate the probability of success or positive happenings higher than they are and the possibility of a negative happening or failure lesser than in reality (Sharot, 2011). In the context of the Covid-19 pandemic, the optimism bias causes people to underestimate the risk posed by the virus. There is a common sense of misinterpretation that the virus will supposedly strengthen the immune system and this myth is more common among the youth.

The overconfidence effect is detected when people overestimate their ability more than their actual capability (Pallier et al., 2002). The presence of optimism bias and overconfidence effect along with other problems like lack of proper information leads to neglect of protocols and guidelines issued by public institutions. However, it should be noted that dealing with a post-COVID-19 world also requires the people to handle things in the present as well.

A study conducted in western countries, amidst the peak of the virus, substantiates the above argument. It was found that the prevalence of an unrealistic optimism among the citizens was a major reason for the disparity between the warnings and protocols issued and the people's perception about the repercussion of the pandemic for themselves. In countries like the US and the UK, as the cases increased and the frequency of being affected and infecting others increased, people estimated the probability of themselves being affected and in turn affecting others lower than the case for someone else (Kuper-Smith et al., 2020). The striking point is the resemblance of patterns detected in past. In 2009 influenza, the predicted risk of infection was 11-19%, however, people largely believed that it was improbable for them and their near and dear to get infected (Xu and Peng, 2015). From a behavioural perspective, this positive judgment and overconfidence could have 2 effects. The first one as mentioned above is not following protocols and guidelines issued by the public institutions. The second one is the mode of denial and neglect, due to which people stop keeping themselves informed and fail to pay attention to the problem at hand and its magnitude.

This kind of behaviour can jeopardize the entire community and hence, public leaders must address and reduce these biases. Though a few research studies (Garrett et al., 2018) prove that the overconfidence effect and optimism bias will reduce when the threat is present in the immediate environment, studies also point out to the fact that continued exposure to a particular threat raises a sense of familiarity and hence leads to a reduction in the perception of risk (Chaudhary et al., 2004), and this behaviour has been observed in the 2009 and 2015 epidemics. Thus, the major challenge in current times is to maintain relatively high individual risk perceptions to overcome the effects of prolongation of a crisis.

Therefore, an unbiased risk assessment should be in place to ensure the sustenance of an individual's protective attitudes. Public leaders must disseminate an adequate amount of information and explanation to the public so that a sense of lethargy does not set in and the risk perception does not fall over time.

3.2.2 Base Rate Fallacy

Base rate fallacy is a cognitive oversight where inadequate weight is placed on the base of possibility. In the context of behavioural economics, base rate fallacy is the tendency for people to erroneously judge the likelihood of a situation by not taking into account all relevant data. This fallacy- derived from the Bayes theorem- is extremely common in statistics and can easily trip up the decision-makers in varied contexts, especially when a whole array of facts is involved. This theorem has recently found prominence owing to how the number of people affected by the virus is being calculated.

Robert Hagen (2020) states, "When the incidence of a disease in a population is low unless the test used has very high specificity, more false positives will be determined than true positives. The difference in the numbers can be quite striking and certainly not inherently understandable". Here the term specificity refers to the test's ability to reject persons who have not been affected by the disease without a condition.

According to the base rate fallacy if the specificity of a test is 95% when used in a population with a 2% incidence of diseases - such as healthy college students and staff - there will be 5 false positives for every 2 true positives (The actual incidence of active COVID-19 in college-age students is not known but estimated to be less than 0.6% by Indiana University/Fairbanks data.) Even using a test with 99% specificity with a 1% population incidence generates 10 false positives for every 9 true positives. Using the same test on patients with COVID-19 symptoms, because their incidence of the disease is 50% or greater, the test does not have to be perfect. Even using a test with only 90% specificity, the number of false positives will be much less significant (Robert Hagen, 2020).

Ideally, testing those WITH symptoms would be reported separately from those randomly being tested WITHOUT symptoms. Contact traced people identified as being close to a COVID patient WITH symptoms (>10% incidence of testing positive for COVID) would also be another category and those identified by contact tracing who was near a person who tested positive WITHOUT symptoms (>1% incidence of having COVID) would be a fourth.

People tend to ignore the accuracy rate of the test and the possible mishappenings. This can also lead to a false sense of alarm leading to other issues like hoarding or the other extreme of neglecting the information and the occurrence.

3.2.3 Information Asymmetry

The COVID-19 pandemic has brought information and communications technologies to the forefront, hence drawing emphasis to the issue of information asymmetry. Information asymmetry occurs in a situation when one party in a transaction knows more than the other about the deal underway. In the context of the pandemic, even if the public institutions and the media put out information about the virus and instructions regarding social conduct, the general public tends to ignore said information (this was observed to occur in excessive amounts during the early days of the pandemic). This causes an involuntary information asymmetry and in such cases, people only access information when they feel they are at risk causing a waste of time and resources.

An effective way of addressing this issue is by putting out information which targets both the experimental and analytical processes of the human brain thus simultaneously appealing to both the logical and the emotional side of the individual (Epstein & Seymour, 2003). This will in turn help reduce the lack of information at one end while also eliminating the harmful information at the other end. Effective communication that satisfies the various types of citizens' information needs can reduce the degree of information asymmetry. Therefore, the encoding of the messages should be done in such a way that the common man decodes it in an intended way. The public sector leaders being both the front line warriors and the most accountable to the people have the responsibility of giving the right and necessary information to every single person.

Information asymmetry can also bring about a degree of mistrust between the public and the government and its public service leaders. Involving experts from various fields in this process of information dissemination will help increase information credibility while also lowering the level of information asymmetry. This would motivate the common man to cooperate with the officials, act per the health policies and co-establish better health outcomes.

With a lot of countries opening up their economies, people with insufficient information misunderstand the reasoning behind it. Most people with little or no information might assume that the virus has been eradicated and that everything can go back to functioning the way it was before the pandemic. It is the sole duty of the public service leaders to be very clear about the economic reasons for opening up and to convey the same to the citizens in such a way that it is easily comprehensible.

3.2.4 Status Quo Bias

Fernandez & Rodrik (1991) found that people tend to resist political, organisational or economic reforms and prefer the status quo over any other changes—even when they may be beneficial for them—whenever there is some amount of uncertainty involved in the outcomes of these changes. People are not accustomed to the new normal created due to the pandemic, making it more difficult to accept the reality. Additionally, a status-quo bias is reflected in an unwillingness from the public to accept any further intensification or extension about the pandemic related lockdowns. Thus, it is the role of the leaders to make the public forgo their bias and adapt to the new situation.

However, this bias can be turned to an advantage by encouraging health-enhancing behaviours in the public through the use of "nudges" as propounded by Thaler and Sunstein. To substantiate this, a field experiment study in India found that the installation of low-cost soap dispensers in homes improved handwashing in semi-urban and rural households.

3.2.5 Availability Bias And Illusory Truth Effect

The availability bias is said to be a mental shortcut that relies on the first instances that come to people's mind during the evaluation of a concept or while making a decision. Due to this bias, information and immediacy of events outweigh substantial facts. Consequently, the events that are easier to recall are perceived to be more probable than others. If one can immediately recall many instances for an event, such as COVID-19 deaths, it is generally believed to be more common. If participants knew of a person that died from COVID-19, they are more likely to overestimate the risk, especially if the victim was part of their social circle. Previous research has shown that instances become more available the more they appear in the media channels (Combs and Slovic, 1979; Wahlberg and Sjoberg, 2000; Agha, 2003; Romer et al., 2003; Kpanake et al.,

2008; Frh, 2017; Slovic, 2000), the more vivid they are (Shedler and Manis, 1986; Bensi et al., 2003; Sj¨oberg and Engelberg, 2010; Dillard and Main, 2013), the more personal they are (Keller et al., 2006) and the more they induce emotional responses (Pachur et al., 2012; Sobkow et al., 2016). Alike Lichtenstein et al. (1978) who studied health risks more broadly, it was found that the availability heuristic influences the perception of COVID-19 risks. Additionally, studies also revealed that experimentally inducing a cognitive load leads to increased risk perceptions as predicted by availability bias. These findings are consistent with a large part of the existing literature, documenting that heuristics (availability bias in this case) are more likely to be employed when someone is stressed (Butler and Mathews, 1987; Shaham et al., 1992), as during a pandemic or under cognitive load, which reduces the influence of rational and analytical thought on choice (Schaeffer, 1989; Kassam et al., 2009; Heereman and Walla, 2011).

Illusory truth effect is a phenomenon whereby people develop a tendency to believe false information after it is repeated several times. Since Hasher, Goldstein, and Toppino's (1977) seminal study, cognitive, social and consumer psychologists have replicated this effect dozens of times. The impact of the COVID-19 pandemic depends on the actions of individual citizens and thus, the quality of the information to which people are exposed. Unfortunately, misinformation about COVID-19 has proliferated, including circulation on social media platforms (Frenkel, Alba, & Zhong, 2020; Russonello, 2020). Misinformation of this kind can potentially cause people to try out ineffective remedies without medical supervision, as well as to either overreact or more dangerously underreact to the ongoing situation.

To resolve this effect, it was found that deliberation facilitates a more accurate belief formation than when they were under time pressure and subject to a cognitive load (Pennycook et al., 2020). This was also found to be true in the case of COVID-19 where misinformation was transmitted on social media.

4.0 Behavioural Economics to the Rescue

4.0.1 Behavioural Economics and Public Policy

Intuitions of policymakers and assumptions in economic models often overlook many of the important aspects of people's behaviour (Datta, S., & Mullainathan, S., 2014). Evidence-based well crafted public policy interventions can help modify and encourage

behaviour that is essentially ideal and capable of bringing a holistic positive change for the community and the nation as a whole (Fehr et al, 2017). On that account, clear comprehension of the factors affecting people's behaviour is vital for the success of such interventions. A few tools that can be used to change people's behaviour are educational awareness, punishments, money-based incentives and the behavioural nudges proposed by Richard Thaler. However, despite the availability of various tools, the success of each measure to bring about a behavioural change depends on the context, the characteristics and the social norms of the targeted population (Fehr et al, 2017). Consequently, there is enormous scope to apply a behavioural approach such as nudging to public policy.

4.0.2 A Nudge Unit

A nudge is a concept of behavioural economics which aims at influencing people to make better decisions while leaving their freedom of choice intact. 'Nudging' people towards better and safer decisions has never been more important than in the present context of the pandemic. The present environment is one filled with new information and presents to the public and the governments of the world a whole host of risks that were never anticipated. Therefore, it becomes extremely important that the public is made aware of their choices in such an environment and that the public leaders (the ones who are involved with maintaining the well-being and overall safety of the public) know the right way to nudge them.

Our solution to this is the creation and establishment of a Nudge Unit within the governing unit of the country, which will act as an advisory body to the leaders. This concept of a nudge unit is a tried and tested concept which was first implemented in the UK. The establishment of the UK's Behavioural Insights Team inspired many other countries to set up their behavioural science units which were aimed at using behavioural insights in public policy and advising the government on the effectiveness of applying behavioural concepts to policymaking (Afif et al. 2018). One of the major reasons behind this increased interest in the use of behavioural concepts in policymaking is the failure of various programs and policies. Most of these initiatives are taken up with a lower degree of enthusiasm than what is expected by those designing the policy. This can be attributed to many factors but the most common among them is the lack of proper understanding about the challenges that these policies hope to tackle.

The use of a Nudge Unit will bridge this gap of understanding and this in turn will lead to a better diagnosis of the problem and more effective solutions. It might be considerably harder to picture implementing a Nudge Unit in a developing country like India but the success of the behavioural unit in Peru might encourage the setting up of something similar in India. The Ministry of Education in Peru established the innovation lab, MineduLab, in April 2016 to address education-related challenges such as teacher absenteeism, teacher motivation, improving student performance, increasing parents' engagement and reducing dropout rates (MineduLab, 2016). One glaring difference between Peru and India is the relative difference in the size of the two countries and this is a major concern when it comes to the implementation of programmes or schemes of any type.

Social network approaches - that cast leadership as relational and patterned - are increasingly critical for leadership in the 21st century (Carter, D. R., DeChurch, L. A., Braun, M. T., & Contractor, N. S., 2015). Research of Burns and DeVillé extending over 40 years lead to the formation of the Actor-System-Dynamics theory which recognizes that socio-economic developments are the result of close relationships between humans in cases that concern institution-building and reform. Therefore, we suggest that the setting up of the nudge unit in India follow the model of the decentralized form of governance that is in place here. Our main reason behind choosing such a form of implementation lies in the enormous success of the Panchayat system of governance which involved the people in the decision making process at the grassroots level. The involvement of local authorities is extremely critical, especially when one considers the impact of the pandemic that was felt at all levels. Apart from the obvious health implications, the pandemic also had social and economic repercussions which were felt at different degrees across different sectors in different parts of the world. Thus, formulating and implementing response measures considering the socio-economic conditions is better suited to work at the local level.

At the same time, a federal perspective is necessary when implementing a Nudge Unit especially in a nation like India. The municipal governments are the closest to the people at the local level and their unique promotion of efficiency and evidence-based policymaking provides an immense opportunity for analyzing nudges today. As the municipal government's budget

constraints and limited powers are understood, nudges can act as essential tools that assist leaders to optimize the welfare of the citizens by utilising the resources skillfully. With cities continuing to grow in population size, it is hard for leaders to design programs in such a way that they reach the right individuals and equally difficult for citizens to navigate bureaucratic processes to access the resources they need. Thus, nudges clearly fit in with the trends of seeking cost-efficiency and optimizing the available resources in the context of a post-pandemic world.

One of the main functions of our suggested Nudge Unit will be to train leaders from the public sector in overcoming the behavioural biases that plague their decision-making process. It will also help the leaders in identifying the biases that are inherent among the people as well. This is crucial since the biases that affect the general public act as hindrances to the proper implementation of programmes and schemes.

Conger and Benjamin (1999) have highlighted that many organizations are concerned about leadership inadequacies and are increasingly committing to the education and training that deepens the skills and perspectives of their leaders with an implicit assumption that such investment produces results. On the other hand, Sonungro (1997) has suggested that even though leadership development interventions are extensive in nature, organizations are not adequately evaluating the effectiveness of these interventions. Further, Sivasubramaniam et al. (2002) have established the positive impact of transformational leadership on organizational outcomes in the team environment.

The second feature of this particular Nudge Unit will aim at addressing the biases in people and steering them in order to positively transform the actions of individuals. This testified practice (Thaler and Benartzi 2004; Downs et al. 2009; Volpp et al. 2011; Johnson and Goldstein 2003) preserves personal freedom while concentrating on the betterment of society. Behavioural economists prove that consumers tend to disregard the long term effects and display unrealistic optimism and altering the context within which decisions are made can encourage socially desirable behaviours and keep the undesirable ones at bay.

Climate change is one of the most pressing issues of the 21st century that can leave a widespread, permanent impact on biodiversity and ecological balance that will be aggravated post-COVID-19. In this regard, the potential for behavioural insights to advance sustainability is unrealized in many environmental policies and programs (Clayton et al. 2013; Dietz 2014; Reddy et al. 2017). By employing the Nudge Unit, it is possible to reduce the issues that contribute to climate change, especially medical waste management.

The pandemic has drastically altered the waste generation and management dynamics, creating woes among policymakers and workers involved in sanitation (Mallapur, 2020). It is known that many types of medical and hazardous waste including infected masks, gloves and other protective equipment along with a higher volume of non-infected items of the same nature are generated during an outbreak (UNEP, 2020). Therefore, utmost importance should be given to managing waste properly. We suggest the installation of signboards to remind and re-emphasize the proper disposal of masks and gloves by the public.

Climate change communication requires special efforts. Understanding perceptions towards climate change is one of the biggest challenges faced by climate change communicators. Studies found that making climate change "meaningful and personally" relevant increased the program's rate of success and also helped in changing climate change attitudes. This particular communication requires to know the target audience, get their attention and translate the available scientific data into real-life experience while being aware of other factors such as overuse of emotional appeal, social identities and affiliations. Shome., et al (2009) outline various biases and barriers to effective scientific communication and information processing. While taking into account all these factors, our suggested Nudge Unit would have a separate division to exclusively focus on climate change communication.

5.0 Conclusion

This paper presented the various behavioural biases that have been affecting the decision-making process of the leader. A review of the literature was carried out concerning these factors which were followed by an analysis of behavioural biases which affected the people in general as well. The last part of the paper focused on presenting a suggestion for a Nudge Unit which would help the leaders and people overcome biases and therefore make more optimal decisions.

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